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## Leaders Introduce Property Tax Bills

Legislative leaders in both chambers of the NC General Assembly introduced long-anticipated property tax bills this week. After the filing of Senate President Pro Tem Phil Berger’s one-year property revaluation [moratorium bill](#), the Senate Finance Committee voted Wednesday to advance it. And House leaders from [an interim committee](#) studying the property tax issue filed [HB 1089 Const. Amend. Property Tax Levy Limit](#) Tuesday.

Most immediately, Berger’s [SB 889 Property Tax Reappraisal Moratorium](#) is expected to pass the Senate chamber as early as next week. The News & Observer [reported](#) last week that he said he would like to see this bill become law by mid-May. However, its fate in the House remains unclear.

Meanwhile, the House will not hold full floor votes until Wednesday next week, and consideration of the constitutional amendment proposal will not likely take place until later. The language in [HB 1089](#) mirrors the language approved by the [House Select Committee on Property Tax Reduction and Reform](#) in April, and it would direct the NC General Assembly to implement limits on local property tax levies, if voters approved the amendment.

Now is the time to express your concerns to state legislators about limiting property tax levies. Share with them the general points in this [one-pager](#) and the public safety points in this [one-pager](#), along with specific data from your city or town about which services your town’s property tax revenues pay for.

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## Pension Board Approves Improved Rate Policy

In a significant win for cities, members of the [Local Government Employees Retirement System \(LGERS\) Board of Trustees](#) voted yesterday to approve a League-supported [pension contribution rates policy](#). The policy replaced prior guidelines that the Trustees follow every year in setting the percentage of payroll local government employers must contribute to the retirement system.

NCLM Director of Government Affairs Erin Wynia spoke in favor of the policy before the vote, telling the Trustees that the new guidelines should reverse the escalating pension costs local governments experienced under the prior policy. She also noted additional expected benefits of the new policy, including that it would ensure stable funding of the pension system, offer predictability for local budgeters, put the system on a path toward full funding, and allow the possibility of awarding retirees a cost-of-living adjustment.

These public comments built off [written comments](#) the League submitted to the Board several weeks ago. The Trustees' vote yesterday culminated an 18-month campaign by the League and its members to realize changes to the policy that would help local governments keep their pension costs under control from year to year. The new policy will become effective with the FY27-28 budget year. Over its five-year period, barring significant shocks, the employer contribution rate is projected to decrease, giving relief to local government budgets.

Municipal officials thank the Trustees for their vote of approval. City officials also commend the appointment of one of their own, Winston-Salem Mayor Allen Joines, to the Board of Trustees. Joines was sworn in for a two-year term by State Treasurer Brad Briner at the start of yesterday's meeting.



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## Downzoning Exemptions Sought

As the NCLM continues to work with House lawmakers to pass a state-wide fix on the 2024 downzoning law, legislators in the House and Senate are introducing local measures to provide targeted relief. This week brought the filing of [HB 1028 Harnett County Jetport](#), and [SB 947 Military Influence Areas](#). Both bills authorize the localities to reduce density or permitted uses on parcels that are adjacent to sensitive operations, either flight paths or military training areas. These reductions would not be permitted under the 2024 law.

The state-wide fix that we are supporting is [SB 587 Clarify Nonconforming Uses](#), which passed the Senate unanimously last year and is pending in the House Rules Committee.

NCLM continues to engage with members of the House, asking them to encourage the House Rules Committee Chair John Bell, to schedule the [bill](#) for committee and floor votes this year. As you have conversations with your legislators, please encourage them to speak with Chairman Bell.

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## House Introduces Housing Bills

The need for affordable housing in communities across North Carolina has been a widely discussed topic for some time, and this week, two bills were filed by members of the House of Representatives to try to present solutions to these challenges being faced by prospective homebuyers and those interested in developing affordable housing.

[HB 1072 Affordable Housing Infrastructure Development](#) is a rare bipartisan proposal, bringing together [House Rules Committee Chairman John Bell](#) and [House Democratic Leader Robert Reives](#) as primary sponsors, joined also by [Republican Representative Chris Humphrey](#) and [Unaffiliated Representative Carla Cunningham](#). The bill would appropriate \$50 million in state funds to establish a revolving loan fund at the North Carolina Housing Finance Agency to support affordable housing development. These loans would be directed towards providing below-market interest rate loans to builders for land acquisition, predevelopment (permit fees, land surveys, environmental due diligence, soil testing, and engineering and site planning), as well as infrastructure

costs (water, sewer, utility, stormwater, and road development, and site clearing and grading). The bill has garnered support from a bipartisan group of 55 representatives and was referred to the House Housing and Development Committee.

Also, this week, Representatives [Vernetta Alston](#), [Jordan Lopez](#), [Lindsey Prather](#), and [Allison Dahle](#) filed [HB 1056 Relieving Housing Bottlenecks](#). Included in this bill are a variety of proposals aimed at increasing density and housing options, including requiring that residential development be allowed in commercial zones and prohibiting parking minimums. The bill also creates a variety of programs aimed at supporting local government permitting (“Municipal Housing Approval Acceleration Program”), restricting corporate ownership of single-family residential properties, and creating a new Workforce Housing Preconstruction Revolving Loan Program at the North Carolina Housing Finance Agency, a proposal that has a lot of similarities to the one proposed in HB 1072. The bill includes appropriations of \$120 million to support the Municipal Housing Approval Acceleration Program and \$40 million to support the Workforce Housing Preconstruction Revolving Loan Program. HB 1056 has been referred to the House Appropriations Committee.

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## **Water Issues Take Center Stage on Jones Street**

A local dispute in Franklin, Halifax, Vance, and Warren Counties played out between the House and Senate this week. The long-running issue centers on access to Kerr Lake for drinking water, and is detailed in this [WRAL article](#).

Bringing it to a head this week, a provision was added to [SB 214 Various Local Boundaries](#), to allow Franklin County to acquire property, including by condemnation, in Halifax County without notice to or approval of the Halifax County board. The provision was unveiled for the first time at the final stage of the legislative process, but as concerns mounted, it was later removed from the bill. Legislators involved are now encouraging the localities to reach a compromise among themselves.

This situation is one example of how legislators often feel compelled to address local and regional water issues. For example, [Representative Ted Davis](#) of New Hanover County introduced [HB 1136 Cape Fear IBT Moratorium/EMC IBT Reductions](#), this week, a bill that would place a moratorium on Inter-basin transfers (IBT) in the Cape Fear River Basin. That proposal would likely halt consideration of the pending IBT application submitted by Fuquay-Varina.

Last year, lawmakers approved a similar measure for the Catawba River basin, [HB 850 Interbasin Transfer Moratorium/Study](#), that impacts a pending IBT application by the City of Charlotte.

As the statewide drought deepens and the state's growth continues, water is re-emerging as a key political issue of the day.

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## Has your city approved legislative priorities? Let us know!

As legislators kick off their Short Session, we know that you have been planning for their return for months. Through passing your own legislative agendas, you are asserting your positions on key issues, proactive and reactive, and using them as your guiding documents for communicating with your legislative delegation.

If your government has approved a legislative agenda for the short session, please email it to NCLM Government Affairs Coordinator, [Sophia Trentacosta](#).



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